
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.20.2009

Washington Post: "U.S. May Add New Financial Watchdog ... The Obama administration is actively discussing the creation of a regulatory commission that would have broad authority to protect consumers who use financial products as varied as mortgages, credit cards and mutual funds, according to several sources familiar with the matter."

Washington Post: "Credit Card Restrictions Close to Enactment ... Landmark credit card legislation, poised to reach President Obama's desk by Memorial Day, will force the card industry to reinvent itself and consumers to rethink the way they use plastic."

Washington Post: "AIG Shakes Up Board with 6 New Nominees ... The trustees representing the U.S. public's majority stake in American International Group flexed their collective muscle yesterday, making good on a promise to seek a shakeup of the company's board of directors."

Washington Post: "Fed Widens Commercial Real Estate Lending Program ... The Federal Reserve yesterday broadened a key lending program to support more commercial real estate loans, expanding its rescue of the financial system to deal directly with some of the assets weighing down banks."

Washington Post: "Momentum Grows for Executive Pay Rules ... New efforts are taking shape in Washington to overhaul governance of public companies in the wake of the financial crisis, with both the Securities and Exchange Commission and lawmakers proposing tough new measures."

New York Times: "Dealing Consumers a New Hand in Credit Cards ... A primer on the new restrictions that credit card companies face, and some reassurances on those rewards programs."

New York Times: "U.S. Weighs How to Let Banks Give Money Back ... It began on Oct. 13, in an atmosphere of panic, with an ultimatum from Washington. Now, The New York Times's Louise Story and Eric Dash write, the nation's largest banks see a chance to bring an end to the bailout era."

New York Times: "Drop in Building of Apartments Drags Down Housing Starts ... Despite talk of stability and glimmers of recovery, the construction industry and home builders appear to be a long way from a rebound."

New York Times: "Administration Said to Eye New Finance Regulatory Panel ... The Obama administration, trying to crack down on abuses exposed by the financial crisis, is considering creation of a regulatory commission to protect consumers of financial products such as credit cards and mortgages, The Associated Press reported, citing administration and industry officials."

New York Times, Editorial: "Safer Credit Cards ... Congress moved a full step closer to making it less hazardous for millions of Americans to keep using their credit cards. The Senate voted 90 to 5 Tuesday in favor of a reform that would prohibit credit card issuers from such unfair tactics as tripling interest rates overnight or passing out cards to clueless teenagers."

Wall Street Journal: "Credit-Card Fees Curbed ... Sweeping new restrictions on credit-card companies would ban extra fees and fluctuating rates and arm tens of millions of consumers with more information on their debts."

Wall Street Journal: "Officials Weigh Having One Mortgage Regulator ... Senior Obama administration officials are discussing giving a federal agency authority to police mortgages and other consumer-oriented financial products as part of the government's broader overhaul of financial regulation, people familiar with the matter said."

Wall Street Journal: "Banks Use Life Insurance to Fund Bonuses ... Banks are using a little-known tactic to help pay bonuses, deferred pay and pensions they owe executives: They're holding life-insurance policies on hundreds of thousands of their workers, with themselves as the beneficiaries."

Wall Street Journal: "Allstate Rejects TARP ... Allstate Corp. said that it won't participate in the government's Troubled Asset Relief Program, becoming the second life insurer to back away from aid just days after six firms were given preliminary approval for billions in federal funds."

Wall Street Journal: "Activist Financier 'Terrorizes' Bankers in Foreclosure Fight ... A campaigner on behalf of homeowners facing foreclosure, Bruce Marks is a growing influence. But some bankers privately deplore his tactics."

Wall Street Journal: "Congress Raises FDIC Limits ... Congress on Tuesday signed off on allowing the Federal Deposit Insurance Corp. to borrow as much as \$100 billion from the Treasury Department and extending the agency's new deposit-insurance limit of \$250,000 through 2013."

Wall Street Journal: "Fed Widens Mandate of TALF ... The \$700 billion market for bonds backed by commercial mortgages rallied Tuesday, following the Federal Reserve's announcement that it would expand one of its funding programs to include such existing securities -- as opposed to newly issued ones -- in its latest move to jump-start commercial real-estate lending."

Wall Street Journal, Editorial: "Car Crazy ... One thing seems certain by 2016: Taxpayers will be paying Detroit to make the cars Americans don't want, and then they will pay again either through (trust us) a gas tax or with a purchase subsidy. Even the French must think we're nuts."

Wall Street Journal, Editorial: "Obama at the Auto Buffet ... With his latest installment of ever-higher fuel mileage requirements for the auto industry, Barack Obama embraces a momentary, crisis-spawned expansion of the art of the possible, unleavened by any art of the rationally desirable."

Wall Street Journal, Op-Ed: "Why Government Can't Run a Business ... The Obama administration is bent on becoming a major player in -- if not taking over entirely -- America's health-care, automobile and banking industries. Before that happens, it might be a good idea to look at the government's track record in running economic enterprises. It is terrible."

Financial Times: "Senate backs bill to limit credit card fees ... The US Senate passed a bill on Tuesday to overhaul credit card industry practices by limiting fees and imposing new restrictions on when lenders can raise interest rates for risky customers."

Financial Times: "Dimon rails against foreign worker rules ... Rules preventing US banks from hiring foreigners are a "complete and utter disgrace" and could prompt overseas governments to retaliate against American expatriates, Jamie Dimon, chief executive of JPMorgan Chase, warned on Tuesday."

Financial Times, Editorial: "The inefficiency of fuel-efficiency rules ... Fuel efficiency is a worthy goal. It helps fight global climate change and it promotes energy independence. From an economic point of view, who can be against more efficiency? But CAFE is about the worst possible way to pursue it."

USA Today: "Safety could suffer if we boost mileage by making cars smaller ... The Obama administration's sweeping fuel-economy and emissions initiative announced Tuesday reopens a fierce debate over tradeoffs between fuel economy and auto safety."

Los Angeles Times, Op-Ed: "Credit card reform becomes opportunity to hammer good customers ... Card issuers are likely to go after good cardholders for extra money if they can't profit as much from bad ones."

Bloomberg: "U.S. Considers Stripping SEC of Powers in Regulatory Overhaul ... The Obama administration may call for stripping the Securities and Exchange Commission of some of its powers under a regulatory reorganization that could be unveiled as soon as next week, people familiar with the matter said."

Politico: "Next fight: card swipe fees? ... A seemingly innocuous amendment to the credit card bill before Congress, offered last week by Senate Majority Whip Dick Durbin, reignited a long-simmering fight over fees between credit card issuers and the retailers who accept them for payment."

Politico: "Wall Street waits for pay restrictions ... Wall Street executives are desperate to solve a key Washington mystery: Where are the regulations on executive compensation?"